EXHIBIT 2

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF TEXAS

Q 1010 LAMAR PROPERTY, L.P.,	Ş	
Plaintiff,	§ §	
vs.	§ §	Civil Action No. 4:12-cv-01949
YPI 1010 LAMAR, LLC AND ZAYA S. YOUNAN,	\$ \$ &	
Defendants.	§ §	
	§ §	

AFFIDAVIT OF THOMAS F. ELLIS III

STATE OF TEXAS)
)
COUNTY OF TARRANT)

Before me, the undersigned notary, on this day appeared Thomas F. Ellis III, known to me, who being by me duly sworn upon his oath deposed and stated as follows:

- 1. My name is Thomas F. Ellis III. I am over the age of 18 years old, of sound mind, capable of making this Affidavit, and personally acquainted with the facts stated in this Affidavit. The facts herein are true and correct to the best of my knowledge.
- 2. I am a portfolio manager for the Q Investments' family of funds. My responsibilities include overseeing loans related to Q Investments' real estate platform, such as the one at issue here.
- 3. In connection with my role, I have responsibility for management and oversight of the relationship between the Plaintiff and the Defendants in this case, as well as the loan at issue in this lawsuit.

- 4. On June 28, 2012, Plaintiff received an appraisal review of Integra Realty Resources' appraisal of the Building from Haginas Chapman & Shillings showing the "as is" value of the Building at \$20,700,000, a decrease of more than \$21 million since the inception of the Loan. A true and correct copy of the June 27, 2012 Appraisal Review is attached hereto as Exhibit A.
- 5. To the contrary, however, current appraisal district values for many of these assets reflect substantially lower values, including the Building, which YPI recently argued should be valued at \$20 million or less, not the \$35,000,000 shown on Younan's documentation used to support his net worth calculation.
- 6. On June 27, 2012, counsel for YPI provided three leases executed for the Building and one lease being negotiated by YPI for the Building. A true and correct copy of the June 27, 2012 Letter attaching the leases is attached hereto as Exhibit B. The rental rates agreed to in these leases are below-market. In fact, leases for comparable properties to the Building in Houston, Texas are currently approximately \$24 per square foot. These leases that YPI has recently executed are being leased on average for less than \$20 per square foot. Because these leases are long-term leases and below the market rate, YPI is further damaging the Building's value and long-term viability in an effort to increase the occupancy rate. YPI did not receive Plaintiff's consent prior to executing these below-market leases as required by the Assignment and, thus, is in default under the Assignment. A true and correct copy of the June 29, 2012 Letter notifying YPI of its default is attached hereto as Exhibit C.

FURTHER AFFIANT SAYETH NOT

SUBSCRIBED AND SWORN TO before me on this 03 day of July, 2012.

STATE OF TEXAS US 1471528v.1

My commission expires: Murch 18, 2015

AFFIDAVIT OF THOMAS F. ELLIS III